



## *Report to the Auburn City Council*

Action Item  
Agenda Item No. **9**

City Manager's Approval

**To:** Honorable Mayor and City Council Members  
**From:** Rich Ramirez, Interim City Manager  
**Date:** March 24, 2014  
**Subject:** Letter of Opposition to SB 983

### **The Issue**

Shall the City Council direct staff to send a letter of opposition related to SB 983 and designate attendees to the Ontario, CA League of CA Cities Tax and Revenue Committee Meeting on April 4, 2014 to speak against the passage or League Support of SB 983?

### **Conclusions and Recommendations**

By MOTION, direct staff to send a letter of opposition related to SB 983 and designate attendees to the Ontario, CA League of CA Cities Tax and Revenue Committee Meeting on April 4, 2014 to speak against the passage or League support of SB 983.

### **Background**

As directed by the Auburn City Council, staff coordinated an outreach to numerous Industry Representatives and California Cities regarding the significant impacts SB 983 could have on cities and businesses throughout California. As part of that effort, and with the assistance of Christine Rydell, Senior District Representative to Senator Jim Nielsen, the following is a list of Senators in which their respective cities will be affected should this legislation go forward:

Senator Ted Gaines (1) (R)  
Auburn  
Rocklin

Senator Noreen Evans (2) (D)  
Eureka

Senator Lois Wolk (3) (D)  
Sacramento  
Woodland

Senator Cathleen Galgiani (5) (D)  
Stockton  
Modesto

Senator Darrel Steinberg (6) (D)  
Sacramento

Senator Loni Hancock (9) (D)  
San Leandro

Senator Anthony Canella (12) (R)  
Salinas

Senator Tom Berryhill (14) (R)  
Fresno

Senator Jim Beall (15) (D)  
San Jose

Senator Andy Vidak (16) (R)  
Bakersfield  
Fresno  
Lemoore  
Kern County

Senator Bill Monning (17) (D)  
San Luis Obispo

Senator Jean Fuller (18) (R)  
Kern County\*\*  
Bakersfield  
Visalia

Senator Hannah-Beth Jackson (19) (D)  
Oxnard  
Ventura County\*\*

Senator Steve Knight (21) (R)  
Lancaster  
Hesperia

Senator Ted Lieu (28) (D)  
Manhattan Beach

To that end, a letter should be sent to all the above Senators and Mayors of the above Cities, signed by the Mayor of the City of Auburn. The letter at a minimum should urge the defeat of SB 983 as outlined in the draft letter (see attached draft). Likewise, letters to the County of Placer and other partners, such as the Chamber of Commerce, should be sent seeking their help in the defeat of SB 983.

**Attachments**

Draft Letter re: SB983

March 24, 2014

Dear \_\_\_\_\_,

SB 983 by Senator Hernandez would reassign sales taxes collected from “card-lock” fueling operations. Such an assignment appears to be unconstitutional and we would ask that you inquire into the bill. This Senate Bill proposes to shift sales tax money from cities, which is in contradiction of Proposition 22, a California Constitutional Amendment passed by the votes in 2010.

Specifically, the constitutional amendment was designed to conclusively and completely prohibit the state from seizing, diverting, shifting, borrowing, transferring, suspending, or otherwise taking or interfering with revenues that are dedicated to funding services provided by local government. Many Cities would see their sales tax shift including but not limited to, Auburn, Rocklin, Lancaster, Eureka, Woodland, Stockton, Modesto, Salinas, San Luis Obispo, and others.

Setting aside the constitutional argument, the practical impact to the City of Auburn alone would be a loss of \$1,000,000 or 30% of the cities entire sales tax. This would be a crippling blow to the City’s ability to maintain services.

We urge your support in defeating SD 983 and look forward to working with you in this effort.

Sincerely

Bridget Powers, Mayor